

PORT OF ASTORIA

REGULAR COMMISSION MEETING JUNE 16, 2009

1. CALL TO ORDER/ROLL CALL

President Larry Pfund called the Regular Meeting to order at 6:00 pm and took roll call.

Persons present were:

Commissioners: Larry Pfund, President; Bill Hunsinger, Vice-President; Floyd Holcom, Treasurer; and Dan Hess, Alt. Secretary/Treasurer

Staff: Jack Crider, Executive Director and Colleen Browne, Finance Manager

Also present were Janet Farstad; Lesle Palmeri, and John Lansing, Budget Committee Chair

News Media: Cassandra Profita, The Daily Astorian, and Jeff Nelson, Radio KAST

Guests: (see sign-in sheet)

2. CHANGES TO AGENDA - none

3. MINUTES

- A. Regular Meeting, May 19, 2009
- B. Special Meeting, May 28, 2009
- C. Special Meeting, June 9, 2009
- D. Special Meeting, June 10, 2009
- E. Budget Committee Meeting, June 11, 2009
- F. Special Meeting, June 11, 2009
- G. Special Meeting, June 12, 2009

Due to lack of time for the Commissioners to read all the minutes, it was decided to defer the minutes until the next meeting.

4. FINANCIALS – MONTH OF MAY 2009

Vouchers:

City of Astoria Bay Street loan payment at \$50/year.

Commissioner Holcom moved to pay the bills, seconded by Commissioner Hess, and unanimously approved.

Financials:

Colleen Browne explained that the financials expressed 11/12 of year, Budget to actual is at 92%. Cruise ship has been more profitable.

Commissioner Holcom moved to move forward, seconded by Commissioner Hess and unanimously approved.

5. PUBLIC COMMENT

Lori Durham asked:

- A. Pier 2 – is the Port receiving rent for storage from equipment on site?
Jack Crider responded that a salvage lease pays for the rent.
- B. Pier 1 – There was welling up of water, questioned if there was a license to discharge.
Jack Crider responded that the plant discharges with a DEQ permit.
- C. Fire Hydrants on Pier required?
Jack Crider responded that the buildings have fire suppression.
- D. Possible to change the first meeting of the month from 4:00 pm to 6:00 pm?
President Pfund explained that the meeting started as a workshop for staff reports from 4 to 5, now that it's a special meeting and few staff involved it could be changed to 6:00 pm. Consensus of the Commission was to change it to 6:00 pm.

6. NEW COMMISSIONER SELECTION

Jack Crider reported that the Commission interviewed 9 applicants and then evaluated them according to the selection criteria as follows:

Name	City	Score
Jack Bland	Gearhart	174
Cary Johnson	Astoria	168
Chris Connaway	Astoria	166
John Dunzer	Seaside	163
Karl Hansen	Warrenton	153
Robert Stang		148.5
Lori Durham	Astoria	139
Ed Niemi		132
Karl Konka		131

President Pfund explained that after the evaluations were scored, the top 3 were invited to return to the regular commission meeting to make a statement, answer further questions (A. Why do you want to serve on the commission; B. What can you do for the Port), and that the interviews should be independently of the other applicants.

Ted Thomas noted Point of Order to abide by board selection by voting.

- Jack Bland:
 - A. He said it was a huge opportunity and a chance to do something for the community.
 - B. He brings experience of a long background in planning, marketing and creating jobs. He is viewed as a transportation expert. He has dealt with other levels of state and federal government. He started his own business in Portland in airline cargo industry.
 - C. Questions:
Commissioner Hunsinger asked his experience with water.

Jack Bland was Direct of Transportation at a Transportation District in California, and went to Saudi Arabia to evaluate their problem at ports on the Red Sea. They had 115 ships to anchor and offload, some waited up to 1 year to off load. Based on that experience he went to Kuwait and wrote plans on their two ports.

Commissioner Hess said he was worried about upgrading the rail at Tongue Point for cargo.

Jack Bland responded that he has not read the plan but will read it and commit to research. It was suggested that he go with Betsy Johnson to Newport on SeaPorts aircraft, but did not go. He is very interested in air tourism.

Commissioner Holcom asked about his experience with United and the discovery of aircraft pallets. He also talked about moving forward with expansion due to the Captain of the Port relocation to Astoria.

Jack Bland responded that he has not read the plan but will read it and commit to research. He went with Betsy Johnson to Newport on SeaPorts aircraft and is very interested in air tourism.

President Pfund noted Jack Bland's global experience and his knowledge of the Ports status.

Jack Bland said he researched the Port, finds it challenging and looks forward to helping the Port.

- Cary Johnson

A. He said the Port is a tremendous economic driver and he wants to be part of creating jobs; Tongue Point would be a good move. He would also like to see the Port Commissioners work together as team players. His family has been in Astoria for generations and he would like to see more opportunities for people to stay in Astoria. He's supporting family wage jobs that will support a family, perhaps manufacturing, fishing and logging. He knows politicians in Salem and is willing to lobby for their support.

B. He brings experience in planning, regulations and working on a board. Working in the Planning board, the decisions are based on existing criteria.

Commissioner Holcom asked about his background.

Cary Johnson said his business background is with the family owned business. He also has experience in marine fisheries and construction that would help the board.

Commissioner Hunsinger asked what issue or project is most interesting.

Cary Johnson said Tongue Point. Economic struggles are nationwide and he is familiar with budgets after serving on the County Budget Committee. He expressed appreciation for the opportunity and said the Commissioners have done their due diligence in the selection process.

Chris Connaway

- A. He felt he is qualified as he worked at the Port, has been on public boards, worked with state agencies and could make a difference. He wants to be part of a good team in a new direction who understands the Port. The Cruise ships are an excellent opportunity and the Port is positioned to receive them. Tongue Points potential is boundless and will help get the railroad back. The challenges are DSL/LNG and land ownership.
- B. He has been on the Port Budget Committee and was impressed with Jack Criders presentation with photos and linear props. The dedicated money will be well spent. Having the maintenance guys do the labor is a good idea. Tongue Point is the ultimate test for an economic driver.

Commissioner Hess said he was working for the Water District and still working a full time job; questioning if he had enough time.

Chris Connaway said the meetings at 4 were OK but at 6 would be better. His work commitment might interfere only 95% of the time, but it is manageable as he is committed to be at the Port when needed.

At the end of the interviews the Commissioners voted as follows:

Commissioner	Vote #1	Vote #2	Vote #3	Vote #4
Larry Pfund	Connaway	Connaway	Johnson	Bland
Bill Hunsinger	Connaway	Connaway	Connaway	Connaway
Floyd Holcom	Bland	Bland	Bland	Bland
Dan Hess	Johnson	Johnson	Bland	Bland

Jack Bland was sworn in by the Oath of Office administered by Janet Farstad, Notary Public for the State of Oregon, and took his seat as a Commissioner.

7. COMMISSIONER ELECTION RESULTS

The Clatsop County election results per the Canvass of Votes were:

Larry Pfund	3617
Dan Hess	3929
Floyd Holcom	3767

Commissioner Hess moved to accept the county's election results, seconded by Commissioner Holcom and unanimously approved.

8. WARRENTON FIBER CONSTRUCTION AGREEMENT

Agreement summary:

- Access property reversion clause.
- Permission to build road 80' wide, .84 acre @ 50% wetland.
- Appraised value at \$4,600/acre.
- Transferred to Warrenton, Port has ability to access property.
- Reimburse legal fees up to \$5,000.

Commissioner Holcom was in favor of the Agreement but voiced concern on attorneys. He doesn't agree on the way councils seem to represent more than one client involved in transactions.

Discussion followed on options available to avoid a conflict.

Steve Folton from the fiber construction said that it's only to use the property for a short period of time and then turned over to the City. There will not be any impact to the Port – non-issue.

Commissioner Holcom said he then doesn't see a problem and moved to approve the agreement, seconded by Commissioner Hess and unanimously approved.

9. STRATEGIC PLAN CONSULTANT SELECTION

Commissioner:	Maul Foster	Benkendorf	Morgan	Harper	Makers
Larry Pfund	95	96	87	85	98
Bill Hunsinger	96	93	82	87	98
Dan Hess	85	65	75	75	85
Floyd Holcom	92 Average	84 Av.	49	72	80
Total	368	338	293	319	361

Jack Crider explained that since Commissioner Holcom was not at the Maul Foster and Benkendorf interviews, the other Commissioner numbers were averaged for his number.

Discussion followed on how to include Commissioner Bland in the selection process. It was decided that Commissioner Bland would review the proposals of the top 2 and a decision would be made during the Special Meeting June 18, immediately following the Budget Hearing. Colleen Browne noted that due to budget notice requirements, the June 18 meeting time could not be changed.

10. DISCUSSION ITEMS:

A. T-Hangar Project

Jack Crider reported that 2600 yards of dredge material went to the airport site. The issue now is rock specifications which need to be approved by FAA. Big River wants a larger rock, #6 and FAA standard is #4 for compaction. An application as been sent to OECDD for the T-Hangar building. OECDD requires a large percentage of the hangar leases signed prior to the loan. There were 21 pilots on the waiting list but over the years it has dropped. Other changes such as different design for larger activities, higher rent and the need to sign ahead of time have caused some pilots to change their mind.

B. Pier II Rehabilitation

Jack Crider reported that the scope of work has changed and he is trying to get the most lineal footage repaired under the contract. The section of dock has changed from asphalt to concrete. The face should have concrete where MSRC is going. Will also go around the corner and replace the fender piles in November. It is expected that a new bid or change order for the new work will come to \$450,000.

C. 17th Street Dock

Jack Crider reported that a letter from the City of Astoria puts the Port in charge of security on the 17th Street Dock when passengers are ferried there. The plan is due July 24. The City will waive the \$2,000 charge.

11. COMMISSION

A. Reports

Commissioner Holcom:

Property Research: He said in researching the property and titles, DSL didn't have authority to take the submerged lands claimed by DSL adjacent to Skipanon Peninsula. DSL provided documents that they owned from statehood, but Commissioner Holcom found documents contrary to DSL; that a document Samuel Smith deeded to James Taylor, and the State of Oregon deeded it to James Taylor who at the end of the title gave it to Peninsula Land Company that the Port bought. The Oregon governor signed the document in 1875, well past the statehood ownership claimed by DSL. Commissioner Hunsinger also mentioned that in 1969 when the governor deeded over the 141 acres, the Port also bought property owned by Roscoe Miles who was an Indian that had a house out on pilings before the Skipanon channel had been dredge out. The title report by Tyco should be completed July 1 and should have all the history.

B. Concerns/Comments

Commissioner Hunsinger talked about the monies owed to the Port by Tenants, and the intent to charge interest on accounts over 30 days.

Jack Crider responded that the older leases do not allow interest or late fees. All the new leases have it included and the process has started to re-write leases to clean up addendums, interest and penalties.

12. OTHER BUSINESS - none

13. PUBLIC COMMENT

Lori Durham asked about the loan to Eric Paulson (Lektro), they have let people go and went to 4 days.

Jack Crider responded that he has asked for an extension to 2012 due to the economy. OECD has been notified of the changes.

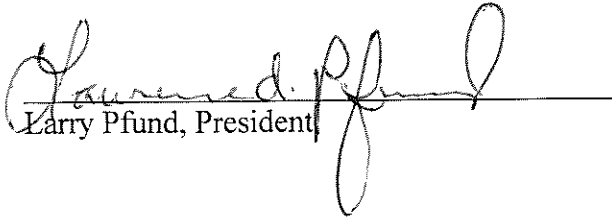
14. RECESS at 7:45 for EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660 (2)(e) NEGOTIATIONS AND ORS 192.660 (2)(h) LITIGATION.

15. RECONVENE REGULAR MEETING at 8:32, but no further business.

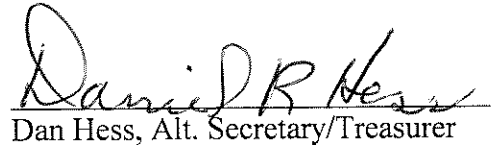
16. ADJOURN at 8:32 pm.

Submitted by Janet Farstad

APPROVED:


Larry Pfund, President

ATTEST:


Dan Hess, Alt. Secretary/Treasurer

